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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

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| <b>OMB APPROVAL</b>                                 |                 |
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**FACING PAGE****Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**REPORT FOR THE PERIOD BEGINNING 01/01/17 AND ENDING 12/31/17  
MM/DD/YY MM/DD/YY**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: JNK Securities Corp.

**OFFICIAL USE ONLY**

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

**FIRM I.D. NO.**140 E 45th Street, 27th Floor

(No. and Street)

New YorkNY10017

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Scott Kaplan(212)-885-6314

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Lerner & Sipkin, CPAs, LLP

(Name - if individual, state last, first, middle name)

132 Nassau Street, Ste 1023New YorkNY10038

(Address)

(City)

(State)

(Zip Code)

SECURITIES AND EXCHANGE COMMISSION

**RECEIVED****FEB 28 2018****DIVISION OF TRADING & MARKETS****CHECK ONE:**

Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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## OATH OR AFFIRMATION

I, Scott Kaplan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of JNK Securities Corp., as of December 31, 2017, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Scott Kaplan  
Signature

CFO  
Title

Margery N. Murriel  
Notary Public

MARGERY NELL MURRIEL  
Notary Public, State of New York  
No. 01MU6247130  
Qualified in Kings County  
Commission Expires Aug. 22, 2019

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**JNK SECURITIES CORP.**

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**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2017**

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**JNK SECURITIES CORP.**

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**TABLE OF CONTENTS**

|                                  | <u>Page</u> |
|----------------------------------|-------------|
| Independent Auditors' Report     | 1           |
| Statement of Financial Condition | 2           |
| Notes to Financial Statement     | 3-4         |



# LERNER & SIPKIN

CERTIFIED PUBLIC ACCOUNTANTS LLP

132 Nassau Street, New York, NY 10038 Tel 212.571.0064 / Fax 212.571.0074

Jay Lerner, C.P.A.  
jlerner@lernerpsipkin.com

Joseph G. Sipkin, C.P.A.  
jsipkin@lernerpsipkin.com

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders of  
JNK Securities Corp.  
c/o Accounting and Compliance International  
40 Wall Street – 17<sup>th</sup> Floor  
New York, NY 10005

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of JNK Securities Corp. as of December 31, 2017, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of JNK Securities Corp. as of December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

The financial statement is the responsibility of JNK Securities Corp.'s management. Our responsibility is to express an opinion on JNK Securities Corp.'s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to JNK Securities Corp. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

*Lerner & Sipkin CPAs LLP*  
Lerner & Sipkin CPAs, LLP  
Certified Public Accountants (NY)

We have served as JNK Securities Corp.'s auditor since 1997.

New York, NY  
February 2, 2018

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**JNK SECURITIES CORP.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2017**

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**ASSETS**

|                           |                   |
|---------------------------|-------------------|
| Cash and cash equivalents | \$ 116,944        |
| Due from broker           | 458,111           |
| Commissions receivable    | 6,966             |
| Other assets              | <u>384,428</u>    |
| Total assets              | <u>\$ 966,449</u> |

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**Liabilities:**

|                                       |                |
|---------------------------------------|----------------|
| Accounts payable and accrued expenses | \$ 371,363     |
| Total liabilities                     | <u>371,363</u> |

**Commitments and Contingencies (Note 4 and 5)**

**Liabilities subordinated to claims of general creditors**

|   |               |
|---|---------------|
| Pursuant to subordinated loan agreements (Note 6) | <u>62,088</u> |
|   | <u>62,088</u> |

**Stockholders' equity (Note 7)**

|                   |                    |
|-------------------|--------------------|
| Capital stock     | 13,272             |
| Paid in capital   | 3,332,514          |
| Retained earnings | (738,179)          |
| Treasury stock    | <u>(2,074,609)</u> |

|                            |                |
|----------------------------|----------------|
| Total stockholders' equity | <u>532,998</u> |
|----------------------------|----------------|

|  |                   |
|--|-------------------|
| Total liabilities and stockholders' equity | <u>\$ 966,449</u> |
|--|-------------------|

The accompanying notes are an integral part of this statement

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**JNK SECURITIES CORP.**

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**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 1 - Nature of Business**

JNK Securities Corp. (The "Company") is a New York corporation formed in 1993, for the purpose of conducting business on the floor of the New York Stock Exchange ("NYSE"). The Company is registered as a broker-dealer with the Securities and Exchange Commission ("SEC").

The Company operates under the provisions of Paragraph (k)(2) (ii) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k)(2)(ii) provide that the Company clears all transactions on behalf of customers on a fully disclosed basis with a clearing broker/dealer, and promptly transmits all customer funds and securities to the clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker/dealer.

**Note 2 - Summary of Significant Accounting Policies**

**a) Revenue Recognition**

Securities transactions (and the recognition of related income and expenses) are recorded on a trade date basis. Commission income and related income and expense are recorded on a settlement date basis. There is no material difference between settlement date and trade date.

**b) Income Taxes**

The Company has elected to be treated as an "S" Corporation under the provisions of the Internal Revenue Code and New York State tax regulations. Under the provisions, the Company does not pay federal or state corporate income taxes on its taxable income. Instead, the stockholder is liable for individual income taxes on his respective share of the Company's taxable income. The Company continues to pay New York City general corporation taxes.

**c) Cash and Cash Equivalents**

The Company considers demand deposited money market funds to be cash equivalents. The Company maintains cash in bank account which, at times may exceed federally insured limits or where no insurance is provided. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**d) Equipment**

Equipment is carried at cost and is depreciated over a useful life of 5-7 years using accelerated methods. Leasehold improvements are amortized over the life of the lease using the straight line method.

**e) Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses.

**f) Subsequent Events**

The Company has evaluated events and transactions that occurred between January 1, 2018 and February 2, 2018, which is the date the financial statement was available to be issued, for possible disclosure and recognition in the financial statement.

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**JNK SECURITIES CORP.**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 3 - Profit Sharing Plan**

The Company is a sponsor of a defined contribution profit sharing plan for its eligible employees. Contributions to the plan, if any, are determined by the employer and come out of its current accumulated profits. The employer's contribution for any fiscal year shall not exceed the maximum allowable as a deduction to the employer under the provisions of the IRS Code Section 404, as amended, or replaced from time to time.

The Company has no liability to the plan as of December 31, 2017.

**Note 4 - Commitments**

***Office Lease***

The Company leases its main premises under a lease which will expire on February 28, 2018

The Company's minimum aggregate rental commitment over the term of the lease is as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2018        | 45,194        |

**Note 5 - Financial Statements with Off-Balance Sheet Credit Risk**

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of institutional and individual investors. The Company introduces these transactions for clearance to another broker-dealer on a fully disclosed basis.

The Company's exposure to credit risk associated with non-performance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair customers' ability to their obligations to the Company and the Company's ability to liquidate the collateral at an amount equal to the original contracted amount. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to such non-performance by its customers.

The company seeks to control the aforementioned risks by requiring customers to maintain margin collateral in compliance with various regulatory requirements and the clearing broker's internal guidelines. The Company monitors its customer activity by reviewing information it receives from its clearing broker on a daily basis, and requiring customers to deposit additional collateral, or reduce positions, when necessary.

**Note 6 - Liabilities Subordinated to Claims of General Creditors**

Subordinated liabilities consists of subordinated agreements approved by FINRA. The notes were issued to finance the redemption of 3.8221 shares of stock to be held in treasury. The notes mature in March 2018 and September 2018 and bear interest at 7% and 8%, respectively and are payable in sixteen quarterly payments totaling \$42,438, including interest beginning in 2014.

**Note 7 - Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 1500%. At December 31, 2017, the Company had Net Capital of \$208,494 which was \$108,494 in excess of its required net capital of \$100,000. The Company's aggregate indebtedness to net capital on December 31, 2017 was 178%.